

**GOCHNOUR & ASSOCIATES, INC.**

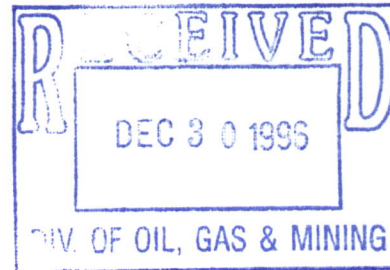
P.O. Box 3207  
Englewood, CO 80155

M/037/088

Tel. (303) 770-7580  
Fax. (303) 721-9298

December 26, 1996

Mr. Anthony Gallegos  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801



**RE: Summo USA Corporation, Lisbon Valley Project**

Mr. Gallegos:

Pursuant to my earlier commitment to provide you with additional information, please find a written explanation for reclamation calculations submitted to Division of Oil Gas and Mining (Division) for the Lisbon Valley Project. The responses provided address specific questions the Division relayed to me on December 10, 1996.

**PAGE ONE OF ESTIMATE**

Question #1. - The acreage difference was due to increase in areas associated with regrading. These numbers have been made the same to minimize/eliminate confusion.

Question #2. - The main reason there was a difference dealt with regrading vs. the perimeter liner and buffer zone around the pad. The smaller acreage deals with the actual area of (ore) neutralization, material covering, etc.

**PAGE TWO OF ESTIMATE**

Question #3. - The primary difference in haul road acreage deals with acres inside pits, on the waste dumps and other areas that have disturbance accounted for (ie., leach pad, crusher area, stockpile, etc.). The smaller number associated with the reclamation treatments map is for stand alone haul roads between facilities.

Question #4. - Line Item 42 deals with revegetation of the ditches/sediment ponds and the work necessary to make the sediment ponds free draining once reclamation activities are complete.

Question #5. - The costs associated with Line Item 22 on this page have been removed. The minor disturbance associated with power line construction will be reclaimed before Utah Power and Light (UPL) leaves the site as part of the contract to construct. In addition, UPL has requested that this line remain after mining activities have ceased, in order to continue to provide service to other (and future) users in the Lisbon Valley area.

**PAGE THREE OF ESTIMATE**

Question #6. - Line Item 21 deals with dismantling and removal of structures. Debris of no value that does not represent an environmental hazard (ie., concrete) will be broken up and buried in place.

Question #7. - Line Item 24 has been removed. This item was a carry over from the last estimate/bid that our contractor (The Winters Company) had to provide.

Question #8. - Line Item 26, Engineering deals with the preparation of bid documents, drawings, and minor permits (equipment hauling, etc.). This has been budgeted at ~5% of the reclamation estimate.

Division of Oil, Gas & Mining  
Page 2  
December 26, 1996

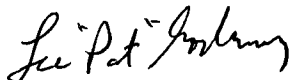
Question #9 - Line Item 28, is intended to cover maintenance of the reclamation bond, and at least three years of quarterly water quality and vegetation monitoring. Should additional efforts be needed, this is covered in our proposed 10% contingency.

Question #10 - Summo has provided a revised estimated area calculation worksheet and sketch that addresses a missing topsoil stockpile north of the leach pad. The three areas labeled A, B, and C represent the process pond area.

Question #11 - See response provided for on Question #9.

This should satisfy the final remaining information needs discuss in the Divisions 12/10/96 Memo and verbal correspondence to Summo. If you have additional questions or needs, please contact me at the listed letterhead number.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee Pat Gochnour".

Lee "Pat" Gochnour  
Principal

cc: Mr. Robert Prescott - Summo USA Corporation